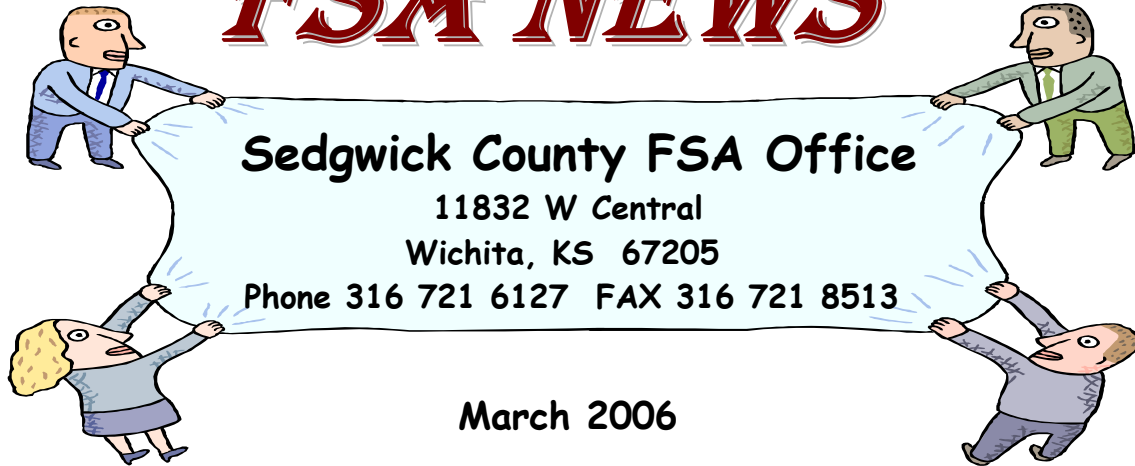




FSA NEWS



Direct and Counter Cyclical Program Sign-Up

Many producers still need to sign up for the Direct and Counter Cyclical (DCP) program for 2006. Sign-up is an annual requirement if you want to receive government payments on your base acres. You must also certify all crop and land uses. The deadline to sign into the program is June 1, 2006. You must report your wheat, barley and oats acreages by May 31, 2006. Please note there is a difference of 1 day between these deadlines. You must report corn, milo, soybeans, cotton, sunflowers and any other minor oil seed acreages by August 1, 2006. Please put these dates on your calendar. Failure to timely sign up and return all required signatures and supporting documents will result in a \$100 per farm late enrollment fee. Failure to timely certify will result in late reporting fees as well. Please help us avoid these late fees by calling for your appointment today. Contact us at 721-6127.

Milk Income Loss Contract Program

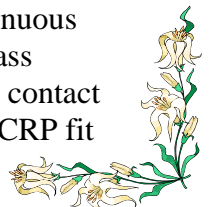
The Milk Income Loss Contract (MILC) program has been extended for two years with some modifications. The new program is called Milk Income Loss Contract Extension (MILCX). Even if you participated in the MILC program, you must sign up for this new program in order to receive payment. The initial sign up dates are March 13, 2006 through May 17, 2006. MILCX is effective for fiscal years 2006 and 2007. No payment will be made for September 2007. The maximum quantity for payment is 2.4 million pounds per operation. A payment rate is in effect when the Boston Class I (BCI) milk price per hundred weight is below \$16.94. When this occurs for a particular month, the payment rate is calculated by subtracting the BCI milk price from \$16.94 and multiplying the difference by 34%. Payment rates announced are: December \$.0408, January \$.1054, February \$.1054 and March \$.4080. All persons who receive a payment must sign a new contract. Applications can be taken after May 17, 2006 but you will not receive payment for months that have already passed, the month you sign up or any future months for which the payment rate has already been established. Please call now for an appointment to sign a new contract.

Conservation Reserve Program Sign-Up

Producers will be able to make offers for the Conservation Reserve Program (CRP) during a general sign-up to be held March 27, 2006 through April 14, 2006. Offers for the general sign-up will be evaluated based on the environmental benefits index and cost. Producers enrolling in CRP plant long term, resource conserving covers, with Commodity Credit Corporation providing annual rental payments, cost-share and technical assistance. Producers with contracts expiring in 2006 are eligible to submit a new offer for consideration.

Producers with contracts expiring in 2007 were recently mailed offers to extend their contracts for a two, three, four or five year extension depending on the EBI of the original offer. The final date to accept the extension is April 14, 2006.

We continue to accept offers for CRP under the continuous program sign-up. The continuous program enrolls land for waterways, grass backed terraces and filter strips. Please contact the office if any of these options under CRP fit into your plans.



Direct Payment Change

Producers who enroll land in the Direct and Countercyclical Payment Program after February 8 will have the option to receive an advance direct payment of up to 40 percent of the direct payment for any covered commodity for the 2006 crop year. The amount of the advance payment was reduced from 50 percent by the Agricultural Reconciliation Act of 2005, also known as Title I of the Deficit Reduction Act of 2005.

As before, producers may elect to receive their direct payments in two installments per year. The first payment is available starting in December of the calendar year before the crop is harvested. The balance of the direct payment is available in October of the calendar year in which the crop is harvested.

For the 2007 crop year, producers will have the option to receive an advance payment up to 22 percent of the total direct payment. The total value of the direct payment does not change. Producers will receive the balance of the direct payment in the second installment. Producers who enrolled in the 2006 DCP program prior to February 8, 2006 and elected to receive a 50 percent advance direct payment will be unaffected by the Act.

Closing

We will be closed on May 29th for Memorial Day.

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